FOOD, CIVIL SUPPLIES AND LABOUR SECRETARIAT

Issues Instructions *re*. Prompt Payment of Compensation under the Workmen's Compensation Act, 1923.

CIRCULAR

No. FCL 76 LWA 67, BANGALORE, DATED THE 30TH APRIL 1969.

Repeated complaints are received regarding delay in payment of compensation under the Workmen's Compensation Act, 1923. The Act creates statutory liability for the payment of compensation in cases of deaths, permanent total disablement, permanent partial disablement and temporary disablement lasting for more than 7 days, no compensation being payable for the first 7 days. Steps should be taken to ensure that compensation cases are disposed off expeditiously. Though the Compensation Commissioners have many other duties, they should bestow personal attention to these cases and ensure that compensation is paid expeditiously.

In this connection attention is invited to the provision contained in Section 4-A (3) of the Workmen's Compensation Act. The provision reads as follows:—

> "(3) Where any employer is in default in paying the compensation due under this Act within one month from the date it fell due, the Commissioner may direct that, in addition to the amount of the arrears, simple interest at the rate of six per cent per annum on the amount due together with, if in the opinion of the Commissioner there is no justification for the delay, a further sum not exceeding fifty per cent of such amount, shall be recovered from the employer by way of penalty."

This provision in the Act is intended to discourage employers from trying to evade or delay the payment of compensation. It is in the interest of the employer to ensure that payment of compensation is made promptly.

It is therefore impressed on all the Commissioners for Workmen's Compensation to invoke properly the provisions contained in section 4-A (3) of the Act in cases of delayed payment of Compensation. If this provision is invoked properly, it will encourage prompt payment of compensation.

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